

Gov't Role in Domestic Business Unit Test

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- ____ 1. A _____ is a legal grant for the sole right to own an invention.
a. trademark c. patent
b. copyright
- ____ 2. The _____ (FDA) regulates the manufacture and sale of drugs in the U.S.
a. Food and Drug Administration c. Federal Trade Commission
b. Federal Tyranny Administration d. Federal Disposal Administration
- ____ 3. Monetary grants given to producers to encourage certain behaviors are called _____.
a. deductions c. endowments
b. subsidies d. exemptions
- ____ 4. The federal government formed the Federal _____ to enforce antitrust laws.
a. Trust Administration c. Trade Administration
b. Trust Commission d. Trade Commission
- ____ 5. A _____ is a name, symbol, or a characteristic that identifies a product.
a. patent c. trademark
b. copyright
- ____ 6. Two industries that have historically received subsidies are
a. agriculture and textiles c. steel and textiles
b. agriculture and steel d. fashion and steel
- ____ 7. Income tax _____ help pay for public goods and services and provide money for transfer payments like welfare.
a. subsidies c. incentives
b. revenues d. breaks
- ____ 8. A legally enforceable agreement between two or more parties is called a(n) _____.
a. agreement c. trust
b. warrant d. contract
- ____ 9. The situation that occurs when a small number of companies control an industry is called a(n) _____.
a. trust c. monopoly
b. oligopoly d. merger
- ____ 10. _____ goods and services are items provided by gov't and paid for by taxes.
a. Public b. Private
- ____ 11. Commerce that involves business transactions in more than one state are called _____.
a. interstate trade c. interstate commerce
b. intrastate trade d. intrastate commerce
- ____ 12. The _____ government oversees intrastate commerce that takes place within a state.
a. federal c. local
b. county d. state
- ____ 13. A _____ gives artist the legal right to own their creations.
a. trademark c. patent
b. copyright

- ____ 14. _____ laws allow the federal government to take control and/or break up monopolies to increase competition.
- a. Antitrust
 - b. Free-trade
 - c. Oligopoly
 - d. Non-compete
- ____ 15. The situation that occurs when a company controls an industry or is the only one to offer a product or service is called a(n) _____.
- a. trust
 - b. oligopoly
 - c. monopoly
 - d. merger
- ____ 16. The _____ offers loans, training, and other resources to small businesses.
- a. Local Business Administration
 - b. Small Local Association
 - c. Small Business Administration
 - d. Small Local Business Association
- ____ 17. The government also enacts laws that regulate the amount of _____ that factories can discharge into the environment.
- a. marketing
 - b. products
 - c. waste
 - d. people
- ____ 18. A special tax benefit given to promote specific economic or social objectives is called a tax _____. For example, the government offers a \$5000 tax credit on any taxes you may owe if you purchase a new car within the year. This would stimulate the automobile industry.
- a. break
 - b. loophole
 - c. deduction
 - d. rebate
- ____ 19. _____ occurs when a business offers a public good or service.
- a. Oligopoly
 - b. Privatization
 - c. Monopoly
 - d. Nightmare
- ____ 20. It is easier to prove a breach of contract occurred if the contract is _____.
- a. certified
 - b. registered
 - c. written
 - d. sealed with a handshake
- ____ 21. Unemployment, Social Security, and veterans' benefits are forms of _____.
- a. transfer payments
 - b. government subsidies
 - c. privatization
 - d. incentives
- ____ 22. A _____ is a contract that is binding and will be enforceable in a court of law
- a. unenforceable
 - b. voidable
 - c. valid
- ____ 23. Items provided by the government and paid for using tax money are called _____.
- a. public goods and services
 - b. transfer payments
 - c. incentives
 - d. subsidies
- ____ 24. When a business offers a public good or service it is called _____.
- a. privatization
 - b. government subsidy
 - c. utilization
 - d. social welfare
- ____ 25. A _____ contract is expressed in words either orally or written.
- a. implied
 - b. expressed

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Answer Section

MULTIPLE CHOICE

- | | |
|------------|--------|
| 1. ANS: C | PTS: 1 |
| 2. ANS: A | PTS: 1 |
| 3. ANS: B | PTS: 1 |
| 4. ANS: D | PTS: 1 |
| 5. ANS: C | PTS: 1 |
| 6. ANS: B | PTS: 1 |
| 7. ANS: B | PTS: 1 |
| 8. ANS: D | PTS: 1 |
| 9. ANS: A | PTS: 1 |
| 10. ANS: A | PTS: 1 |
| 11. ANS: C | PTS: 1 |
| 12. ANS: D | PTS: 1 |
| 13. ANS: B | PTS: 1 |
| 14. ANS: A | PTS: 1 |
| 15. ANS: C | PTS: 1 |
| 16. ANS: C | PTS: 1 |
| 17. ANS: C | PTS: 1 |
| 18. ANS: A | PTS: 1 |
| 19. ANS: B | PTS: 1 |
| 20. ANS: C | PTS: 1 |
| 21. ANS: A | PTS: 1 |
| 22. ANS: C | PTS: 1 |
| 23. ANS: A | PTS: 1 |
| 24. ANS: A | PTS: 1 |
| 25. ANS: B | PTS: 1 |